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July 3, 2000

Manager, Dissemination Branch
Information Management & Services Division
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552

2000 JUL 11 PM 11:08

Re: Docket No. 2000-44

Dear Sir:

In the Joint Notice of Proposed Rulemaking, to implement the "CRA Sunshine Requirements" of the GLB Act, the Agencies invite comment on whether the Rule should define when loans are made at "substantially below market rates," and if so, what the definition should be. We believe that this term must be defined as a matter of guidance, and that the formula for determining it should be if it is more than 150 basis points below the rate that would be charged in a comparable transaction. We also believe that a "comparable transaction" should refer to any other below-market rate CRA loan programs for Affordable Housing that the institution offers, and not its rate on conventional home loans that are not CRA-related.

We also believe that in 533.2 (a) (3) (ii), that loans made to individuals to purchase homes through an agreement with an NGEF, whether or not the borrowers are parties to the agreement, should not be reportable unless the funds are loaned through the NGEF, or unless it has an approval authority for the loan. As an example, we have a special loan program with an NGEF through which we will make loans at below market rates with closing cost assistance to graduates of its 12-hour HomeBuyer Training Program whose incomes are below 80% of MSA median. In some instances, we refer the person to the NGEF for its training program, and in other instances they refer someone to us. The NGEF does not receive any fees from us, and the applicant pays for the homebuyer training. We do not believe this type of loan program should trigger the covered agreement provisions. If it does, then we are very concerned about our customers' privacy if the NGEF is then required to include such loans on its report, with any information on the borrower.

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We also do not believe that the definition of "CRA contact" should include contacts that occur in connection with the purchase of loans or mortgage-backed securities on an arm's length basis in the secondary market or from brokers dealing in Participation Certificates even where the negotiation of the purchase of the loans or securities include any discussion of CRA features of the loans or securities or the effect of the transaction on the CRA performance of the insured depository institution. These are contacts that occur in the conduct of the ordinary day-to-day business of the institution and they should be exempted from coverage because there are no *quid pro quos* involving the CRA present in the transaction.

We appreciate having the opportunity to comment on these issues.

Very truly yours,

A handwritten signature in black ink, appearing to read "McGuire", with a stylized flourish at the end.

Jack B. McGuire

Vice-President

Union Savings & Loan Association

JBMcG:hs